

SUPERIOR COURT OF THE STATE OF WASHINGTON  
FOR KING COUNTY

TWIN LAKES PLAZA, LLC,

Plaintiff,

v.

EAGLE WEST INSURANCE COMPANY,

Defendant.

NO. 22-2-10190-3 KNT

COMPLAINT

Twin Lakes Plaza, LLC (“Twin Lakes”) brings this action against Eagle West Insurance Company (“Eagle West”) and alleges as follows:

**I. PARTIES**

1.1. **Plaintiff Twin Lakes Plaza, LLC.** Twin Lakes is a limited liability company organized under the laws of the State of Washington and has its principal place of business in King County, Washington.

1.2. **Defendant Eagle West Insurance Company.** Defendant Eagle West is an insurance company incorporated in the State of California, with its principal place of business in Monterey, California. Eagle West is a wholly owned subsidiary of Capital Insurance Group,

1 which is incorporated in the State of California. Eagle West is licensed to sell, and does sell,  
 2  
 3 insurance in the State of Washington, including the insurance policy issued to Twin Lakes that is  
 4  
 5 the subject of this lawsuit.

## 6 7 **II. JURISDICTION AND VENUE**

8  
 9 2.1. This Court has jurisdiction over the parties and the subject matter of this action  
 10  
 11 pursuant to RCW 2.08.010.

12  
 13 2.2. Venue is proper in this Court pursuant to RCW 48.05.220 and RCW 4.12.025.

## 14 15 **III. FACTUAL BACKGROUND**

16  
 17 3.1. Twin Lakes owns an apartment complex located at 3300-3330 SW 320th Street  
 18  
 19 Federal Way, Washington 98023 (the “Property”), which it uses for rental income. The Property  
 20  
 21 was built in 1968 and consists of four two-story, multiunit residential buildings. Three of the  
 22  
 23 buildings, including the building that is the subject of this lawsuit, consist of four first-floor  
 24  
 25 apartment units and six second-floor apartment units. The fourth building has four units on both  
 26  
 27 floors. The buildings are similar in exterior appearance.

28  
 29 3.2. Eagle West issued Policy No. 25-BOP-2-070005599 to Twin Lakes, with an  
 30  
 31 effective date from September 1, 2019, to September 1, 2020 (the “Policy”).

32  
 33 3.3. The Policy’s “Named Insured” is Twin Lakes Plaza LLC. The Policy insures the  
 34  
 35 Property, which includes the building that is the subject of this lawsuit.

36  
 37 3.4. The Policy is an “all-risk” policy that provides broad property and business  
 38  
 39 income coverage for “direct physical loss of or damage to” the Property except where excluded.  
 40  
 41 The Policy also provides additional coverages including, but not limited, to: Debris Removal,  
 42  
 43 Extra Expense, Extended Business Income, and Building Ordinance.  
 44  
 45

1           3.5. The Policy provides property coverage on a Replacement Cost Value basis for up  
2  
3 to 125% of the Limit of Insurance in the Declarations, which is \$5,547,278.00. The Policy also  
4  
5 provides Business Income coverage for up to 24 months after the date of the loss during the  
6  
7 “period of restoration.”  
8

9           3.6. On December 21, 2019, one of the four buildings on the Property sustained  
10  
11 significant fire damage (the “Building”). The Building is located at 3300 SW 320th St, Federal  
12  
13 Way, WA 98023.  
14

15           3.7. The fire began in an upper-floor apartment unit in the northwest corner of the  
16  
17 Building. The fire combusted or charred the entirety of the second floor. The first floor  
18  
19 additionally sustained heavy water damage during the efforts to put out the fire. As a result of  
20  
21 the damage, the Building was almost entirely demolished except for its concrete foundations,  
22  
23 slab, first floor framing, and second floor joists.  
24

25           3.8. Twin Lakes provided timely notice of the fire to Eagle West and submitted a  
26  
27 claim for the loss under the Policy.  
28

29           3.9. Eagle West retained Atlas Consulting (“Atlas”) to prepare a preliminary repair  
30  
31 estimate for the Building that would incorporate the remaining components of the foundation,  
32  
33 slab, first floor framing, and second floor joists in the rebuild. Atlas completed its preliminary  
34  
35 repair estimate on April 16, 2020. Atlas estimated the Replacement Cost Value (“RCV”) of the  
36  
37 repairs to be \$1,438,429.50, including overhead, profit, and Washington State sales tax. After  
38  
39 deducting \$438,036.32 for depreciation, Atlas estimated a Proposed Actual Cash Value (“ACV”)  
40  
41 of \$1,000,393.18 for the repairs. The estimate also included \$126,976.08 for additional items  
42  
43 that have the “highest potential of becoming required during the reconstruction process,” which  
44  
45 included a line item of \$55,174.86 for “Market conditions & material cost increases (5%).”

1           3.10. Over the past two and a half years, Twin Lakes has retained numerous experts to  
 2  
 3 investigate whether it is feasible to use the remaining structural components to reconstruct the  
 4  
 5 Building. Each of these experts expressed serious concerns with using these structural elements  
 6  
 7 and recommended that they not be used in the rebuild.  
 8

9           3.11. On September 25, 2020, following an investigation by Visser Engineering  
 10  
 11 (“Visser”), Visser wrote in its report that nearly all of the framing elements would need to be  
 12  
 13 removed and replaced due to the “sporadic observable rot and fungal growth throughout.”  
 14

15           3.12. On October 3, 2020, following an investigation and field testing by engineers at  
 16  
 17 Pacific Testing & Inspection (PTI), PTI wrote “We recommend that the foundation and slab not  
 18  
 19 be used for the proposed structure, and that it is removed.”  
 20

21           3.13. Twin Lakes’ architect for the rebuild, Michael Hovland, has also repeatedly  
 22  
 23 explained—in findings provided to Eagle West—why the remaining structural elements should  
 24  
 25 not be repurposed in the reconstruction of the building. For example, on February 22, 2022, Mr.  
 26  
 27 Hovland explained: “There is also an even more practical reason for demolishing the rest of the  
 28  
 29 building. The Structural Engineer has indicated that we would have to re-evaluate the remaining  
 30  
 31 structure to make sure they will tolerate the loads. Analyzing the remaining footing and walls  
 32  
 33 will take time and money – and more engineering fees. As we have NOT completely analyzed  
 34  
 35 the remaining structure, we may find out that the ‘repair’ or upgrade is not feasible for structural  
 36  
 37 reasons. The concrete is over 50 years old. 50 years has been the traditional ‘lifespan’ of  
 38  
 39 concrete. I suspect we will find out the remaining structure is not worth saving or upgrading. . . .  
 40  
 41 As a final note, it is my opinion, that trying to keep the portion of the structure that remains will  
 42  
 43 cost more and quality will be compromised. The remainder of the building should be removed.”  
 44  
 45

1           3.14. On December 2, 2020, Twin Lakes sent Eagle West and the Office of the  
2  
3 Insurance Commissioner a 20-day notice related to Eagle West's violations of the Insurance Fair  
4  
5 Conduct Act ("IFCA").  
6

7           3.15. On February 2, 2021, Troon Construction Co. Inc. ("Troon") prepared an estimate  
8  
9 for the cost of reconstructing the Building based on the plan prepared by Mr. Hovland. At the  
10  
11 time, Troon estimated that the rebuild would take approximately seven months and cost roughly  
12  
13 \$1,484,687.00, excluding certain costs such as Washington State Sales Tax, building permits,  
14  
15 and appliances.  
16

17           3.16. On February 9, 2021, RJ Day Construction ("RJ Day") also prepared an estimate  
18  
19 for the cost of reconstructing the Building without the remaining structural components. At the  
20  
21 time, RJ Day estimated that the rebuild would cost approximately \$1,690,574.00, excluding  
22  
23 certain costs such as Washington State Sales Tax, building permits, and addressing any unstable  
24  
25 soil conditions.  
26

27           3.17. On February 18, 2021, Eagle West provided a preliminary engineering report  
28  
29 dated October 21, 2020 from Degenkolb Engineers ("Degenkolb") in response to the  
30  
31 recommendations from Eagle West's builder, engineer, and architect that the existing structure  
32  
33 should not be used for the reconstruction. Not only did Degenkolb's preliminary report fail to  
34  
35 certify its findings for purposes of supporting the necessary repair activities to the satisfaction of  
36  
37 the architect, builder, and authority with jurisdiction for issuing the necessary building permits,  
38  
39 but Eagle West delayed providing this report to Twin Lakes for nearly four months after  
40  
41 receiving it from Degenkolb, prejudicing Twin Lakes' ability to address the findings and  
42  
43 progress towards beginning the rebuild.  
44  
45

1           3.18. On March 10, 2021, Twin Lakes sent Eagle West and the Office of the Insurance  
2 Commissioner another IFCA notice, attaching the February repair estimates from Troon and RJ  
3 Day, and a bid from Russ Lloyd Clearing & Demolition to remove and dispose of the existing  
4 wood structure. The letter reiterated that “in order to properly repair the structure to like-kind-  
5 and-quality workmanship and to comply with local code, it will be necessary to replace the  
6 foundation slab and replace the wall studs. The existing wall studs may not comply with current  
7 building requirements. Similarly, testing has shown defects in the concrete foundation, likely  
8 necessitating foundation repair.” Twin Lakes accordingly explained that Eagle West was acting  
9 in bad faith by failing to agree to the necessary repair costs based on Eagle West’s speculative  
10 and conjectural proposition that the existing slab and studs could be reused, improperly relying  
11 on the Degenkolb report that failed to adequately address the myriad issues with reusing the  
12 existing structural components, and unreasonably delaying in providing the Degenkolb report to  
13 Twin Lakes. Twin Lakes thus demanded that Eagle West promptly agree to pay the reasonable  
14 and necessary repair costs for the structure, lost rental income from the fire through the  
15 completion of repairs, and the minimal attorneys’ fees Twin Lakes had incurred by that time in  
16 preparing its insurance claim.

17           3.19. On March 26, 2021, Eagle West responded to Twin Lakes’ IFCA notice and  
18 refused to resolve any of the issues identified by Twin Lakes. Eagle West continued to rely on  
19 the preliminary analysis in Degenkolb’s report to insist that the remaining structural elements be  
20 included in the rebuild despite the fact that the Degenkolb report failed to: (a) address the  
21 permitting demands for reconstruction; (b) provide any explanation for the cost of the  
22 construction activities it suggested to conditionally preserve the existing structure; or (c) confirm  
23 that further issues would not arise during the course of construction with the existing structural

1 components that had been sitting on the property for over 15 months. Eagle West thus refused to  
2  
3 agree to either of the repair estimates Twin City provided and insisted that the Atlas estimate—  
4  
5 now almost a year old—“includes all elements required for the repairs.” Eagle West also refused  
6  
7 to pay for any additional rental income Twin Lakes lost beyond 24 months from the date of the  
8  
9 fire despite the fact that Eagle West was responsible for delaying the start of the rebuild by  
10  
11 refusing to agree on the repair estimates Twin Lakes provided that would ensure the rebuild was  
12  
13 performed soundly and in compliance with any applicable coding requirements by the City of  
14  
15 Federal Way.

16  
17 3.20. Based on Eagle West’s refusal to agree to reconstruct the Building without the  
18  
19 existing structural components, Twin Lakes invested additional time, effort, and expense to  
20  
21 investigate whether the components could be reused in the rebuild and whether there was any  
22  
23 way of doing so while still meeting the code requirements imposed by the City of Federal Way.  
24

25 3.21. On July 20, 2021, Eagle West sent Wiss, Janney, Elstner Associates (“WJE”) to  
26  
27 the Property to conduct a site visit to prepare a report to ascertain whether the Building could be  
28  
29 reconstructed using the existing framing and foundation.  
30

31 3.22. On July 28, 2021, Twin Lakes’ representative Courtland Pixton asked Eagle West  
32  
33 when Twin Lakes could expect to receive WJE’s report, whether WJE supported using the  
34  
35 existing framing and foundation, and if so, what WJE specifically required for the rebuild. Mr.  
36  
37 Pixton specifically noted that Twin Lakes currently had a building permit for the ground-up  
38  
39 construction plans submitted to Eagle West, and that “[t]o modify the permit and use the existing  
40  
41 framing and foundation, the city of Federal Way will require a supportive letter of opinion from  
42  
43 an engineer.”  
44  
45

1           3.23. On September 9, 2021, Eagle West provided Twin Lakes with the report prepared  
2  
3 by WJE, asserting that “[a]s you can see from the report, reuse of the foundation and existing  
4  
5 wood is not only doable, but preferable. . . . If Twin Lakes chooses to tear down the remaining  
6  
7 wood and foundation, please note it will be done voluntarily and the cost to do so will not be  
8  
9 covered under the policy.”

10  
11           3.24. Eagle West’s reliance on the WJE report dated September 9, 2021 was  
12  
13 unreasonable; the report’s findings did not support Eagle West’s insistence on utilizing the  
14  
15 damaged structural components for the rebuild. Not only did the report assume that the City of  
16  
17 Federal Way would approve the reuse of these structural components, but its preliminary  
18  
19 analysis assumes, without sufficient testing, that the structural components in their present state  
20  
21 were in sufficiently good condition to be incorporated in the subsequent rebuild. Moreover,  
22  
23 despite observations regarding the damaged and dilapidated state of these components, the report  
24  
25 calls for many of these materials to be either removed or replaced so that the rebuild could  
26  
27 proceed. In other words, the report did not support Eagle West’s conclusory—and purportedly  
28  
29 definitive—assertions that reusing these components was either “doable” or “preferable.”  
30

31           3.25. On January 7, 2022, an additional report was prepared for Twin Lakes by Wood  
32  
33 Environment & Infrastructure Solutions, Inc. (“Wood”) regarding the potential of reusing the  
34  
35 remaining components of the structure. Wood’s report concluded that “reusing the remaining  
36  
37 existing structure (reconstruction) is not the best solution. Reconstruction would entail costs that  
38  
39 have not been fully enumerated in previous reports . . . Further, while many structural defects  
40  
41 that require attention were noted previously by other parties, other defects have not. Some  
42  
43 conditions have likely worsened with prolonged weather exposure and will continue to worsen.  
44  
45 Upgrades to certain structural components would be required, as indicated by the City of Federal



Way Building Official. These required structural upgrades include anchors in sill plates; wall panel sheathing; and measures to meet demands of the City of Federal Way energy code. An evaluation in accordance with the International Existing Building Code (IEBC) would also be needed. The costs for these additional miscellaneous conditions have not been noted previously. The total costs related to repairing the existing structure are understood to be at least equivalent to ‘like new’ construction.”

3.26. On January 6, 2022, Twin Lakes received a Notice of Violation (“Notice”) from the City of Federal Way (“City”) after numerous complaints had been sent regarding the dilapidated structural components that Eagle West has insisted be retained and included in the reconstruction of the Building. Citing the materials as a “specific public nuisance” under FWRC 7.030.040, the City directed Twin Lakes to “[r]emove the unfinished/damaged structure including but not limited to; all wood framing, electrical wiring, scrap metal, concrete foundation and perimeter fencing” within 14 days to bring the area into compliance.

3.27. On January 12, 2022, a copy of the January 6 Notice was provided to Eagle West. Despite receiving a copy of the Notice, Eagle West refused to change its position, stating on January 13 that “[o]bviously the area does not need to be completely demolished if Twin Lakes Plaza, LLC, intends to repair and rebuild the structure. . . . If Twin Lakes chooses to completely remove the remaining structure, rather than repair and rebuild using the materials currently in place, please note this additional cost is not covered under the Eagle West policy.”

3.28. On January 21, 2022, the City wrote to Twin Lakes in response to its request for an extension to resolve the public nuisance identified in the Notice. Although the City granted an extension until August 1, 2022, the City informed Twin Lakes that it will be issued a fine

1 unless significant progress is made on demolition or repair of the Building, followed by the City  
2  
3 conducting abatement and placing a lien on the Building.  
4

5 3.29. On March 2, 2022, Eagle West's independent adjusters at WJE visited the site  
6  
7 with two restoration contractors and an environmental consultant to prepare a bid to repair the  
8  
9 Building utilizing the existing foundation and framing in its present condition.  
10

11 3.30. On March 9, 2022, Rose Environmental ("Rose") prepared a Microbial  
12  
13 Evaluation for Remedial Scope of Work at the Building for Eagle West. Based on its evaluation  
14  
15 of the remaining studs and joists, Rose "identified suspect visible microbial growth (SVG),  
16  
17 remnant porous materials (GWB, insulation), and char and soot on remaining vertical wood studs  
18  
19 and ceiling joists." Despite Rose's observations of the damage—which did not address  
20  
21 structural decay or integrity of the materials—Rose's recommendations included (a) drying the  
22  
23 wet materials using heat, dehumidification, ventilation, replacement, or a combination; (b) wire  
24  
25 brushing, sanding, scrubbing, blasting, or wiping the wood surfaces; and (c) other extensive  
26  
27 cleaning procedures to mitigate lingering contaminants, including the removal of any asbestos  
28  
29 containing materials.  
30

31 3.31. On April 22, 2022, OnPoint Property Damage Specialists ("OnPoint") completed  
32  
33 another repair estimate for Eagle West using the remaining structural components of the  
34  
35 Building. OnPoint's estimate listed an RCV of \$1,899,099.84 for the repairs, including the costs  
36  
37 of overhead and profit and Washington State sales tax. Deducting \$212,500.06 for depreciation,  
38  
39 OnPoint's estimate calculated an ACV of \$1,686,549.78 for the Building. Eagle West has  
40  
41 advised that this is the RCV cost of the Building as of April 2022, and it has taken the position it  
42  
43 is not responsible for paying for anything beyond the approximately \$1.4 million Atlas  
44  
45 previously determined it would cost to repair the Building on the date of loss.

1           3.32. On May 2, 2022, Troon submitted a Revised Cost Estimate to Twin Lakes to  
 2  
 3 reconstruct the Building at a cost of \$2,157,721.00, excluding items such as the cost of  
 4  
 5 Washington State sales tax at a rate of 10.1%, building permit, and appliances. Troon explained  
 6  
 7 that it was forced to revise its prior repair estimate dated January 21, 2021 due to significant  
 8  
 9 impacts on the construction industry from inflation, cost increases, product availability and  
 10  
 11 delivery times, including the fact that since January 2021, prices for concrete, lumber, and fuel  
 12  
 13 have doubled, and prices for the required subtrades have increased 40% to 55%. Troon  
 14  
 15 estimated that the repairs could be completed on an eight-month construction schedule.  
 16

17           3.33. Eagle West rejected Troon's revised repair estimate, still refusing to agree to any  
 18  
 19 repair estimate that does not incorporate the foundation and framing components that had been  
 20  
 21 sitting on the Property for over 30 months. Moreover, Eagle West took the position that it will  
 22  
 23 pay for the repairs to the Building based on the cost of repairs at the time of the loss, which at the  
 24  
 25 time occurred over 31 months ago. Eagle West has thus refused to account for the drastic  
 26  
 27 increases in the cost of construction since the date of the fire, cost increases that Eagle West is  
 28  
 29 chiefly responsible for by refusing to agree on an appropriate reconstruction plan.  
 30

31           3.34. To date, Eagle West has issued just over \$1.1 million in payments under the  
 32  
 33 Policy for the loss. For the bulk of these payments, Eagle West failed to specify under which  
 34  
 35 coverage the payments were being made. Nonetheless, based on the costs Twin Lakes has  
 36  
 37 incurred to date, and the costs Twin Lakes will incur to complete the necessary reconstruction of  
 38  
 39 the Building, which will include the demolition and removal of the existing structural  
 40  
 41 components, as well as the lost rental income that continues to accrue while the repairs continue  
 42  
 43 to be delayed, Eagle West owes Twin Lakes over \$1.5 million in contractual and extracontractual  
 44  
 45 damages. The damages include but are not limited to rebuild costs for the Building, estimated

1 future costs, lost rent, and unreimbursed expenses Twin Lakes incurred as a result of Eagle  
 2 West's actions.  
 3

#### 4 **IV. FIRST CLAIM: DECLARATORY JUDGMENT**

5  
 6  
 7 4.1. **Incorporation by Reference.** Twin Lakes realleges the allegations of the  
 8 preceding paragraphs.  
 9

10  
 11 4.2. **Duty to Pay.** Under the Policy, Eagle West has a duty to pay Twin Lakes for  
 12 direct physical loss of or damage to the Building occurring during the policy term, including  
 13 Twin Lakes' lost rental income.  
 14

15  
 16  
 17 4.3. **Breach of Duties Under the Policy.** Eagle West has breached its duty to pay by  
 18 failing to fully reimburse Twin Lakes for its losses in response to Twin Lakes' tender.  
 19

20  
 21 4.4. **Breach of Extra-Contractual Duties.** Eagle West has acted in bad faith and  
 22 violated various insurance claims handling regulations and statutes by failing to deal fairly with  
 23 Twin Lakes and give equal consideration to (and not put its own interests ahead of) Twin Lakes'  
 24 financial interests, and failing to conduct a full, fair, and prompt investigation at its own expense.  
 25

26  
 27 4.5. **Actual Controversy.** An actual controversy of a justiciable nature exists between  
 28 Twin Lakes and Eagle West regarding the rights and obligations of the parties with respect to  
 29 Twin Lakes' claim. Issuance of declaratory relief by this Court will terminate the existing and  
 30 any future controversies between the parties.  
 31

32  
 33 4.6. **Relief Sought.** Twin Lakes seeks a declaratory judgment declaring that: (a) Twin  
 34 Lakes' losses and expenses resulting from the damage to its Building are covered by the Policy;  
 35 (b) Twin Lakes need not use the framing and other components or foundation of the Building in  
 36 the reconstruction; (c) Eagle West is responsible for timely and fully paying all such claims; (d)  
 37 Eagle West breached the Policy and violated various insurance claims handling regulations and  
 38  
 39  
 40  
 41  
 42  
 43  
 44  
 45

statutes; and (e) Eagle West is obligated to pay Twin Lakes' reasonable attorney fees, costs, and disbursements in obtaining coverage.

## V. SECOND CLAIM: BREACH OF CONTRACT

5.1. **Incorporation by Reference.** Twin Lakes realleges the allegations of the preceding paragraphs.

5.2. **Breach of Contract.** Eagle West has failed to: (1) agree to fund the full costs of returning the Building to its pre-loss condition using like-kind and quality materials as required by the Policy; and (2) fully reimburse Twin Lakes for its covered losses.

5.3. **Damages.** As a direct and proximate result of Eagle West's breach of its insurance contract, Twin Lakes has been deprived of the benefits of its insurance coverage.

5.4. **Additional Damages.** As another direct and proximate result of Eagle West's breach of the Policy, Twin Lakes has been forced to incur attorney's fees and other expenses to prosecute this action.

## VI. THIRD CLAIM: VIOLATIONS OF THE WASHINGTON CONSUMER PROTECTION ACT, RCW 19.86

6.1. **Incorporation by Reference.** Twin Lakes realleges the allegations of the preceding paragraphs.

6.2. **Violations of the Unfair Claims Settlement Practices Act.** Washington has adopted the Unfair Claims Settlement Practices Act under Chapter 284-30, et seq. of the WAC. Eagle West has violated several provisions of this Act, including but not limited to, the following: (a) misrepresenting pertinent facts such as the estimated costs for repair under WAC 284-30-330(1); (b) failing to acknowledge and act reasonably promptly upon communications from Twin Lakes and its representatives under WAC 284-30-330(2); (c) failing to adopt and

1 implement reasonable standards for the prompt investigation of claims under WAC 284-30-  
 2  
 3 330(3); (d) making claim payments to Twin Lakes not accompanied by a statement setting forth  
 4  
 5 the coverage under which the payments were made pursuant to WAC 284-30-330(9); (e) failing  
 6  
 7 to promptly provide a reasonable explanation of the basis in the insurance policy in relation to  
 8  
 9 the facts or applicable law for its insistence that the remaining structural components and  
 10  
 11 foundation of the Building be used in reconstruction of the Building pursuant to WAC 284-30-  
 12  
 13 330(13); (f) failing to fully disclose to Twin Lakes all pertinent benefits, coverages or other  
 14  
 15 provisions of an insurance policy or insurance contract under which a claim is presented pursuant  
 16  
 17 to WAC 284-30-350(1); and (g) failing to respond to communications from Twin Lakes or its  
 18  
 19 representatives pursuant to WAC 284-30-360(3); and (h) failing to review the accuracy of the  
 20  
 21 actual cash value estimates prepared on its behalf pursuant to WAC 284-30-380(7).  
 22

23 6.3. **Violations of CPA.** Violations of WAC 284-30 *et seq.* are *per se* violations of  
 24  
 25 the Washington Consumer Protection Act, RCW 19.86, entitling Twin Lakes to exemplary  
 26  
 27 damages, attorney fees, and costs.  
 28

29 6.4. **Damages.** As a direct and proximate cause of this conduct, Twin Lakes suffered  
 30  
 31 damages to its business and property in an amount to be established at trial.  
 32

### 33 VII. FOURTH CLAIM: INSURANCE BAD FAITH

34  
 35 7.1. **Incorporation by Reference.** Twin Lakes realleges the allegations of the  
 36  
 37 preceding paragraphs.  
 38

39 7.2. **Duty of Good Faith and Fair Dealing.** Eagle West owes Twin Lakes a duty of  
 40  
 41 good faith and fair dealing. Pursuant to that duty, Eagle West was obliged to refrain from taking  
 42  
 43 any action that is unreasonable or unfounded. Eagle West was, likewise, required to conduct a  
 44  
 45 full, fair, and prompt investigation at its own expense. Eagle West was also required to deal

fairly with Twin Lakes, give equal consideration to Twin Lakes' interests, and not put its own financial interests ahead of Twin Lakes' financial interests.

7.3. **Eagle West Acted in Bad Faith.** Eagle West breached its duty of good faith and fair dealing as described in this Complaint.

7.4. **Damages.** As a direct and proximate result of this conduct, Twin Lakes has suffered damages in an amount to be proven at trial.

### **VIII. RESERVATION OF RIGHT TO AMEND COMPLAINT FOR VIOLATION OF THE INSURANCE FAIR CONDUCT ACT, RCW 48.30.015**

8.1. **Incorporation by Reference.** Twin Lakes realleges the allegations of the preceding paragraphs.

8.2. **IFCA Notices.** Twin Lakes sent IFCA notices to the Washington Office of the Insurance Commissioner and to Eagle West on December 2, 2020 and March 10, 2021.

8.3. **Notice Period.** More than 20 days have passed since Twin Lakes provided notice of its IFCA claims to the Office of the Insurance Commissioner and Eagle West. Twin Lakes has complied with all statutory notice requirements for asserting an IFCA claim in this matter.

8.4. **IFCA Violation.** Eagle West's acts, as outlined above and in Twin Lakes' IFCA notices, constitutes an unreasonable denial of a claim for payment of benefits under the Policy.

### **IX. PRAYER FOR RELIEF**

Twin Lakes prays for the following relief:

9.1. **Declaratory Judgment.** Enter declaratory judgment as stated in this Complaint;

9.2. **Monetary Damages.** Award Twin Lakes the full benefit of the Policy and recovery for all of its contractual and extra-contractual damages arising from Eagle West's

breaches of the Policy, Consumer Protection Act, bad faith, and violation of the Insurance Fair Conduct Act.

9.3. **Attorneys' Fees and Costs of Suit.** Award Twin Lakes its costs and attorneys' fees incurred pursuant to *Olympic Steamship Co. v. Centennial Ins. Co.*, 117 Wn.2d 37 (1991) and its progeny, the Washington Consumer Protection Act, Insurance Fair Conduct Act, or under any other basis permitted by law or equity;

9.4. **Treble Damages Under the Consumer Protection Act.** Award Twin Lakes treble damages up to \$25,000 under the Consumer Protection Act;

9.5. **Treble Damages Under the Insurance Fair Conduct Act.** Award Twin Lakes treble damages up under the Insurance Fair Conduct Act;

9.6. **Interest.** Award Twin Lakes pre- and post-judgment interest on the amount of insurance benefits awarded; and

9.7. **Other Relief.** Grant Twin Lakes such other relief as may be just, legal, equitable, and proper.

DATED this 1st day of July, 2022.

**GORDON TILDEN THOMAS & CORDELL LLP**  
Attorneys for Plaintiffs

By s/ Kasey D. Huebner

Kasey D. Huebner, WSBA #32890  
Miles C. Bludorn, WSBA #54238  
600 University Street, Suite 2915  
Seattle, Washington 98101  
206.467.6477  
[khuebner@gordontilden.com](mailto:khuebner@gordontilden.com)  
[mbludorn@gordontilden.com](mailto:mbludorn@gordontilden.com)